

ER-66-1889/A

5 May 1966

MEMORANDUM FOR: Mr. J. Patrick Coyne  
Executive Secretary  
President's Foreign Intelligence  
Advisory Board

I am sending you the attached material on  
Juri Ruse and Boris Reine in response to your  
request of 25 April. The portion on Ruse is a  
general biography while that on Reine reflects  
both our conclusions and the basis for them.

(Signed) Richard Reine

Richard Reine

Attachment

cc: Chief [ ]

DECLASSIFIED AND RELEASED BY  
CENTRAL INTELLIGENCE AGENCY  
SOURCE METHOD EXEMPTION 3B2B  
NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2006

BEST AVAILABLE COPY

**BEST AVAILABLE COPY**

DRAFT  
5 May 1966

SUMMARY STATEMENT - HEINE v RAUS

Because intelligence and intelligence activities are frequent ~~speculation and~~ targets for adverse comment and cannot be fully explained due to national security requirements, as in this case, the following summary is designed to put the facts in context with applicable decisions laid down by the Federal Court System, and more particularly by the United States Supreme Court. The Government's position in this case is as follows:

The Central Intelligence Agency is engaged in foreign intelligence activities which are clearly within its statutory charter and which have involved Estonian emigre groups. The defendant, Raus, was employed by the Agency on a part-time basis in connection with these activities. In 1963 the Agency had information that the plaintiff Heine was coming to the United States to present a film lecture to Estonian/American groups in some 20<sup>18</sup>(?) major cities. In view of the Agency's official finding based upon all sources<sup>of</sup> information and facts that Heine was a dispatched KGB operative, his contacts with emigre groups composed of Americans of Estonian heritage was a threat to Agency foreign intelligence sources and methods. Therefore, the Agency informed its employee, Raus, as to its findings and in-

[ ]

# BEST AVAILABLE COPY

structed Raus to warn members of Estonian emigre groups that Heine was a KGB agent. This was done and the present suit followed.

Due to security considerations and requirements for protecting intelligence activities, sources, and methods, the Agency decided at that time not to appear in defense of its employee, Raus. As the case developed, however, the Agency deemed it necessary to reveal its connection with Raus and his statements concerning Heine, in spite of the difficult position in which this placed the Agency from the viewpoint of protecting the national security. Accordingly, the Government intervened and the claim of privilege was made on behalf of the defendant, Raus. In so doing, the Government asked for nothing more or less than the privilege which had been accorded to other Government employees under the rules laid down in Barr v Matteo and Howard v Lyons. In fact, there is a reported case which is similar in all respects, Steinberg v O'Connor, 200 F. Supp. 737 (D. Conn. 1961). In this case the complaint of the defamation action asserted that an official of the Department of State having to do with the issuance of passports had named the plaintiff as a Communist in a speech before the VFW in describing the problems of denying passports to known Communists. The court ruled that the defendant's comments were absolutely privileged under the rule laid down under Barr v Matteo. This case caused little comment at the time, although

the result differs in no way from that which the Government has requested in the present case.

In the Steinberg case the statements of the Department of State employee were designed to protect the national interest in connection with issuance of passports, while in the immediate case the aim was to protect the national interest as affected by a non-resident alien whose contact with these emigre groups threatened to interfere with intelligence activities and to endanger the well-being of United States citizens connected therewith.

**BEST AVAILABLE COPY**

Intelligence collection and related activities are conducted by the Government under statutory authority and in the interest of national security. Nevertheless, they are frequently the target of speculation and adverse comment because they cannot be publicly explained, as in this case, due to necessary security restrictions. The following summary, therefore, is designed to put the facts in context with applicable decisions laid down by the Federal Court System, and more particularly by the United States Supreme Court. The Government's position in this case is as follows:

**BEST AVAILABLE COPY**